



METROPOLITAN
TRANSPORTATION
COMMISSION
SERVICE AUTHORITY
FOR FREEWAYS
AND EXPRESSWAYS

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Memorandum

TO: Operations Committee

DATE: May 3, 2013

FR: Executive Director

W.I.: 6031, 6032

RE: MTC SAFE Draft FY 2013-14 Operating and Capital Budget – MTC SAFE Resolution No. 58

The draft MTC SAFE agency budget for FY 2013-14 currently shows an operating surplus of \$766,000 (Attachment A). The surplus is mainly is due to a larger STP grant for the Freeway Service Patrol of \$600,000 to cover the program expenses instead of using SAFE revenue. There are no new positions proposed in the draft budget. A final budget will be presented for approval next month.

Revenue

The overall revenue of \$15 million is approximately \$655,000 less than the estimated SAFE revenue for FY 2012 -13 (Table 1). CMAQ grants for FY 2013-14 have been transferred to MTC for two projects that are discussed in the capital projects section.

Table 1

<u>Operating Revenue</u>	<u>2011 Actual</u>	<u>2012 Actual</u>	<u>2013 Estimate</u>	<u>2014 Budget</u>
STP	\$ 4,173,129	\$4,041,073	\$3,207,500	\$3,500,000
CMAQ	1,326,842	1,326,513	1,150,000	0
DMV Revenue	5,680,296	6,343,390	6,000,000	5,900,000
Interest Income	3,691	1,847	5,000	6,000
Other	24,210	31,723	30,000	100,000
LAP	4,034,861	4,331,572	5,500,000	5,750,000
State of California	0	13,312	18,000	0
Total Operating Revenue	<u>\$15,243,029</u>	<u>\$16,089,430</u>	<u>\$15,910,500</u>	<u>\$15,256,000</u>

Operating Expenses

The draft operating budget shows a decrease in total operating expenses for FY 2013-14 from this year's estimate (Table 2). The salaries/benefits and general administration (overhead) will decrease in FY 2013-14 as a result of transferring the Freeway Performance Implementation and Incident Management projects to the MTC budget. The increase in FSP tow expense reflects higher fuel costs.

Table 2

	2011 Actual	2012 Actual	2013 Estimate	2014 Budget
Salaries/ Benefits	\$2,230,282	\$2,260,538	\$2,419,621	\$1,059,640
Professional Fees	708,578	860,610	1,279,204	922,900
General Administration	976,253	974,974	1,166,553	597,095
Repairs and Maintenance	739,725	623,691	830,000	810,000
FSP Tow Expense	8,788,827	8,856,073	8,694,954	9,406,000
Transfer to MTC/SAFE Capital	911,023	1,352,667	1,251,185	1,142,727
Other	<u>695,153</u>	<u>585,872</u>	<u>519,182</u>	<u>551,680</u>
Total Expense	\$15,049,841	\$15,514,425	\$16,160,699	\$14,490,042

Capital Projects

In a continuing effort to streamline the SAFE Capital Program, there are three projects that are being closed and two projects that are moving from the MTC SAFE budget to the MTC budget in FY 2013-14. Closed projects are:

1. **6305 Incident Management Program.** Funds for this program were primarily used to develop the framework of the incident management program that currently exists today, which has Caltrans, CHP, and MTC working as partners in this arena. A balance of approximately \$82,000 SAFE funds will be returned to the SAFE Operating program.
2. **6307 CHP Radio Interoperability.** This program funded a portion of a telecommunication interoperability demonstration project. The project was fairly successful; however technological advancements do not warrant continuing this project. A balance of approximately \$178,600 SAFE funds will be returned to the SAFE Operating program.
3. **6310 Automated Traffic Management System (ATMS).** The ATMS project funded by SAFE and Caltrans replaced the operating system and installed hardware at the Caltrans Traffic Management Center (TMC) that allows TMC managers to better access and distribute real time data and information. This project has been completed and is in the maintenance phase.

Projects transferred to the MTC budget are:

1. **6311 I-880 Integrated Corridor Management (ICM).** The FPI Capital Program is moving from the MTC SAFE to the MTC budget in an effort to move non-SAFE related programs to where they are better suited. Approximately \$5.4 million of unencumbered CMAQ funds are being moved to the MTC budget.
2. **6317 Freeway Performance Initiative (FPI) Implementation.** The FPI Capital is moving from the MTC SAFE to the MTC budget in an effort to move non-SAFE related programs to where they are better suited. Approximately \$4.0 million of unencumbered CMAQ funds are being moved to the MTC budget.

A full summary of all SAFE Capital Projects is included in Attachment A to this Memorandum. Funding the FY 2013-14 capital program will require a transfer of \$464,000 from the SAFE reserves.

Operating Reserves:

The current and projected reserve position is shown in the table below.

Description	Actual FY 2012	Estimated FY 2013	Projected FY 2014
Capital Projects	\$0	\$4,340,247	\$464,000
Encumbrances	500,000	500,000	500,000
Fixed Assets	3,861,073	3,870,000	3,920,000
Prior Year Transfers	4,391,706	2,000,000	2,000,000
Unrestricted*	<u>4,132,234</u>	<u>1,924,567</u>	<u>2,179,567</u>
Total Reserves	\$ 12,885,013	\$12,634,814	\$9,063,567

*Net available assets

The unrestricted balance is also used as operating cash flow to initially pay for expenses as the grants are on a reimbursement basis.

Recommendation

This draft budget is presented for the Committee's information. Staff will present the final budget for approval in June.


Steve Heminger

SH:JM

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**SERVICE AUTHORITY FOR FREEWAYS AND EXPRESSWAYS
FY 2013-14 OPERATING AND CAPITAL BUDGET**

Date: Draft 4/19/2013
SAFE: WE 6031, 6032

SAFE RESOLUTION NO. 58

ATTACHMENT A: TABLE OF CONTENTS

SAFE Operating Program	Page 2
SAFE Capital Program	Page 7

**SERVICE AUTHORITY FOR FREEWAYS AND EXPRESSWAYS
FY 2013-14 OPERATING AND CAPITAL BUDGET**

Revenue and Expense Summary

OPERATING REVENUE/EXPENSE	FY 2012-13	FY 2013-14	Percent Change
Call Box	\$8,110,000	\$6,656,000	-17.9%
FSP	\$8,007,500	\$8,600,000	7.4%
Subtotal Operating Revenue	\$16,117,500	\$15,256,000	-5.3%
Call Box	\$5,031,819	\$2,579,579	-48.7%
FSP	\$10,634,051	\$10,767,736	1.3%
Subtotal Operating Expense	\$15,665,870	\$13,347,315	-14.8%
Transfers Out	\$1,078,665	\$1,142,727	5.9%
Operating Surplus (Shortfall)	(\$627,035)	\$765,958	-222.2%

**SERVICE AUTHORITY FOR FREEWAYS AND EXPRESSWAYS
FY 2013-14 OPERATING AND CAPITAL BUDGET**

REVENUE DETAIL

	FY 2012-13	FY 2013-14	Percent Change
CALL BOX REVENUES			
Vehicle Registration Fees	\$5,900,000	\$5,900,000	0.0%
Grants (Non-CBX/FSP Grants moved to MTC Budget)	\$1,200,000	\$0	-100.0%
Grant (STP)	\$1,000,000	\$750,000	-25.0%
Interest	\$10,000	\$6,000	-40.0%
Subtotal: Call Box Revenues	\$8,110,000	\$6,656,000	-17.9%
FSP REVENUES			
State Local Assistance Program (LAP)	\$5,750,000	\$5,750,000	0.0%
State CMAQ carryover	\$150,000	\$0	-100.0%
Grant (STP)	\$2,007,500	\$2,750,000	37.0%
Traffic Mitigation Program (Caltrans)	\$100,000	\$100,000	0.0%
Subtotal: FSP Revenues	\$8,007,500	\$8,600,000	7.4%
Total Revenue	\$16,117,500	\$15,256,000	-5.3%

**SERVICE AUTHORITY FOR FREEWAYS AND EXPRESSWAYS
FY 2013-14 OPERATING AND CAPITAL BUDGET**

EXPENSE DETAIL			
SAFE OPERATING EXPENSE			
I. Salaries and Benefits	FY 2012-13	FY 2013-14	Percent Change
Call Box Program	\$498,770	\$535,074	7.3%
FSP Program	\$454,980	\$524,566	15.3%
Incident Management Program	\$362,420	\$0	-100.0%
Freeway Performance Initiative Program	\$1,092,843	\$0	-100.0%
II. General Operations			
Call Box Program	\$1,265,786	\$639,505	-49.5%
FSP Program	\$325,226	\$355,670	9.4%
III. Consultant Services			
Call Box Program	\$361,000	\$345,000	-4.4%
FSP Program	\$325,000	\$325,000	0.0%
IV. Operating Contracts			
Call Box Program	\$1,451,000	\$1,060,000	-26.9%
FSP Program	\$9,528,845	\$9,562,500	0.4%
CALL BOX Operating Expense	\$5,031,819	\$2,579,579	-48.7%
FSP Operating Expense	\$10,634,051	\$10,767,736	1.3%
TOTAL OPERATING EXPENSE	\$15,665,870	\$13,347,315	-14.8%
TRANSFERS OUT			
BAHA (Staff Salaries)	\$62,910	\$0	-100.0%
MTC (Operations Strategic Plan)	\$40,000	\$0	-100.0%
MTC (Arterial Operations)	\$6,882	\$0	-100.0%
MTC (ATS, Landline Phone Upgrade)		\$16,000	
MTC (1237, Freeway Operations)		\$58,778	
MTC (1222-23-24, 511)	\$968,873	\$1,067,949	10.2%
TOTAL OTHER PROJECTS/TRANSFERS OUT	\$1,078,665	\$1,142,727	5.9%
TOTAL EXPENSE	\$16,744,535	\$14,490,042	-13.5%

**SERVICE AUTHORITY FOR FREEWAYS AND EXPRESSWAYS
FY 2013-14 OPERATING AND CAPITAL BUDGET**

I. SALARIES AND BENEFITS EXPENSE

	FY 2012-13	FY 2013-14	Percent Change
CALL BOX PROGRAM			
Salaries	\$498,770	\$535,074	
Call Box Subtotal	\$498,770	\$535,074	7.3%
FREEWAY SERVICE PATROL			
Salaries	\$454,980	\$524,566	15.3%
FSP Subtotal	\$454,980	\$524,566	15.3%
INCIDENT MANAGEMENT (IM)			
Salaries	\$362,420	\$0	-100.0%
IM Subtotal	\$362,420	\$0	-100.0%
FREEWAY PERFORMANCE INITIATIVE (FPI)			
Salaries	\$1,092,843	\$0	-100.0%
FPI Subtotal	\$1,092,843	\$0	-100.0%
Total Salaries and Benefits	\$2,409,013	\$1,059,640	-56.0%

II. GENERAL OPERATIONS EXPENSE

	FY 2012-13	FY 2013-14	Percent Change
CALL BOX PROGRAM			
Graphics/printing	\$7,500	\$500	-93.3%
Office depreciation	\$260,000	\$260,000	0.0%
Travel	\$11,250	\$7,500	-33.3%
SAFE overhead	\$247,874	\$276,765	11.7%
FPI overhead	\$460,639	\$0	-100.0%
IM overhead	\$180,123	\$0	-100.0%
Legislative advocacy	\$17,900	\$17,900	0.0%
Professional Memberships	\$9,150	\$9,000	-1.6%
Insurance	\$40,800	\$42,840	5.0%
Audit	\$30,550	\$25,000	-18.2%
Call Box Subtotal	\$1,265,786	\$639,505	-49.5%
FREEWAY SERVICE PATROL			
Graphics/printing	\$7,500	\$500	-93.3%
Office depreciation	\$9,000	\$13,500	50.0%
Travel	\$11,250	\$2,500	-77.8%
FSP Overhead	\$226,126	\$271,330	20.0%
Insurance	\$40,800	\$42,840	5.0%
Audit	\$30,550	\$25,000	-18.2%
FSP Subtotal	\$325,226	\$355,670	9.4%
Total General Operations	\$1,591,012	\$995,175	-37.5%

**SERVICE AUTHORITY FOR FREEWAYS AND EXPRESSWAYS
FY 2013-14 OPERATING AND CAPITAL BUDGET**

III. CONSULTANTS/PROFESSIONAL SERVICES EXPENSE

	FY 2012-13	FY 2013-14	Percent Change
CALL BOX PROGRAM			
Information/Data Management	\$90,000	\$90,000	0.0%
Construction Services	\$10,000	\$20,000	100.0%
Call Box Inspections	\$50,000	\$50,000	0.0%
Private Dispatch consulting fees and back-up	\$11,000	\$10,000	-9.1%
511 Freeway Aid Marketing	\$150,000	\$125,000	-16.7%
Consultant other	\$50,000	\$50,000	0.0%
Call Box Subtotal	\$361,000	\$345,000	-4.4%
FREEWAY SERVICE PATROL			
Systems Integrator	\$250,000	\$275,000	10.0%
FSP Tow Audits	\$25,000	\$0	-100.0%
Consultant other	\$50,000	\$50,000	0.0%
FSP Subtotal	\$325,000	\$325,000	0.0%
Total Consultant Expense	\$686,000	\$670,000	-2.3%

IV. OPERATING CONTRACTS EXPENSE

	FY 2012-13	FY 2013-14	Percent Change
CALL BOX PROGRAM			
CHP Dispatching	\$211,000	\$50,000	-76.3%
Telcommunication Services	\$260,000	\$75,000	-71.2%
Call Box Repairs/Maintenance/Vandalism	\$800,000	\$800,000	0.0%
Private Call Center	\$80,000	\$75,000	-6.3%
SAFE on 17 Program	\$50,000	\$50,000	0.0%
Incident Management/FPI Operations	\$40,000	\$0	-100.0%
Call Box Operations	\$10,000	\$10,000	0.0%
Call Box Subtotal	\$1,451,000	\$1,060,000	-26.9%
FREEWAY SERVICE PATROL			
FSP Tow Service	\$9,201,645	\$9,326,000	1.4%
CHP Funding Agreement	\$30,000	\$30,000	0.0%
In-vehicle Maintenance	\$50,000	\$50,000	0.0%
Telecommunication Services	\$109,200	\$52,500	-51.9%
System Maintenance	\$30,000	\$10,000	-66.7%
Equipment Replacement (hardware)	\$25,000	\$20,000	-20.0%
System Improvement (software)	\$25,000	\$20,000	-20.0%
FSP General Operations	\$58,000	\$54,000	-6.9%
FSP Subtotal	\$9,528,845	\$9,562,500	0.4%
Total Operating Contracts Expense	\$10,979,845	\$10,622,500	-3.3%

SAFE CAPITAL PROGRAM
Fiscal Year 2013-14

FY 2012-13 Budget			FY 12-13 Life to Date			+/- FY 2013-14		FY 2013-14 Budget	
Program	Fund	Budget	Actuals	Encumbered	Balance	Fund	Budget	Fund	Budget
6301 Bridge Call Boxes									
	BATA	3,711,000						BATA	3,711,000
	SAFE	60,000						SAFE	60,000
		3,771,000	3,164,844	164,448	441,708				3,771,000
6303 Bay Area Camera Upgrade									
	CMAQ	7,146,650				CMAQ	(422,000)	CMAQ	6,724,650
	SAFE	2,355,933				SAFE	314,000	SAFE	2,669,933
	STP	70,000						STP	70,000
		9,572,583	7,291,424	2,158,459	122,700		(108,000)		9,464,583
6304 Traffic Equipment Management									
	SAFE	750,000				SAFE	(50,000)	SAFE	700,000
		750,000	681,452	18,548	50,000		(50,000)		700,000
6305 Incident Management Program									
	SAFE	180,000				SAFE	(82,118)	SAFE	0
		180,000	97,882	0	82,118		(82,118)		0
6306 FSP Data-AVL									
	SAFE	120,000						SAFE	120,000
	SAFE	1,250,000						SAFE	1,250,000
						STP	1,400,000	STP	1,400,000
		1,370,000	1,083,989	283,411	2,600		1,400,000		2,770,000
6307 CHP Radio Interoperability									
	SAFE	430,000				SAFE	(178,610)	SAFE	0
		430,000	244,159	7,232	178,610		(178,610)		0
6310 ATMS									
	SAFE	1,000,000						SAFE	0
	Caltrans	701,031						Caltrans	0
		1,701,031	1,483,629	217,402	0				0

SAFE CAPITAL PROGRAM

Fiscal Year 2013-14

6311 I-880 ICM				Move to MTC 2013-14	
CMAQ (139)	1,482,890	1,019,538	463,352	0	CMAQ
SAFE	192,110	132,077	60,033	0	SAFE
CMAQ (020)	6,350,000	221,351	749,055	5,379,594	CMAQ
	8,025,000	1,372,966	1,272,440	5,379,594	5,379,594
6314 CBX Site Improvement					
STP	0				
SAFE	1,000,000				SAFE
	1,000,000	614,350	159,034	226,616	1,150,000
6315 FPI Corridor Studies					
CMAQ	1,446,500	1,446,500	0	0	CMAQ
SAFE	183,500	183,500	0	0	SAFE
Caltrans	700,000	700,000	0	0	Caltrans
STA	150,000	0	150,000	0	STA
STP	2,000,000	0	0	2,000,000	STP
SAFE	260,000	200,000	0	60,000	SAFE
Miscellaneous					Miscellaneous
CCAG/SM	300,000				CCAG/SM
SJCOG	116,000				SJCOG
CCAG	100,000				CCAG
Misc Total	5,256,000	2,780,816	265,184	0	Misc Total
					3,196,000
6317 FPI Implementation					Move to MTC 2013-14
CMAQ	7,475,670	2,871,220	558,000	4,046,450	CMAQ
SAFE	439,130	434,701	4,429	0	SAFE
STP	1,608,000	1,608,000	0	0	STP
Caltrans	500,000	94,516	0	405,484	Caltrans
	10,022,800	5,008,437	562,429	4,451,934	(405,484)
					(4,451,934)
Total	42,078,414	23,823,948	5,258,586	12,995,880	30,072,143

SAFE Capital Funds (+/-)
SAFE Funds from Operating Reserve

(\$93,272)
\$93,272